

SCHEDULE "B"

This is the schedule referred to in section
15.01(b) of the MODEL STRATA LOT LEASE

ASSIGNMENT

THIS INDENTURE made the day of
197 ,
BETWEEN:

(hereinafter called the "Vendor")

OF THE FIRST PART

AND:

(hereinafter called the "Purchaser")

OF THE SECOND PART

AND:

CITY OF VANCOUVER

(hereinafter called the "City")

OF THE THIRD PART

WHEREAS:

A. By a Ground Lease dated the day of
197 , the City, as lessor, demised and leased to United
Properties Ltd. and Imbrook Properties Limited , as lessees,
those lands in the City of Vancouver, in the Province of
British Columbia, more particularly known and described as:

(hereinafter called the "said lands")

for a term ending on the day of , , on the
terms and conditions therein contained;

B. The said lands have been subdivided into strata lots by the deposit of a leasehold strata plan in the Vancouver Land Registry Office in accordance with the provisions of the Strata Titles Act, Chapter 89, S.B.C. 1974, and the Land Registry Act, Chapter 208, R.S.B.C. 1960, in respect of the leasehold strata plan;

C. The said leasehold strata plan has been deposited in the Vancouver Land Registry Office and the Vancouver Land Registrar has issued in the name of the City, the registered owner in fee simple of the said lands included in the leasehold strata plan, new certificates of titles to each of the strata lots shown upon the leasehold strata plan;

D. The deposit of the said leasehold strata plan converted the said Ground Lease into individual leases in the names of UNITED PROPERTIES LTD. and IMBROOK PROPERTIES LIMITED in respect of the interest of the City in each strata lot including its share in the common property, at the rent premium or other consideration, and subject to the applicable terms and conditions of the said Ground Lease and as contained in the model strata lot lease attached hereto and to the provisions of the said Strata Titles Act and the regulations thereto (each individual lease created as aforesaid being hereinafter referred to as the "lease");

E. The Vendor, at the request of the Purchaser, has agreed to assign to the Purchaser for the sum of \$ the Vendor's interest in:

Lot _____
Leasehold Strata Plan Vt _____
together with an interest in the common property
in proportion to the unit entitlement shown on
Form 1 of the Leasehold Strata Plan

(hereinafter called the "Strata Lot")

for all the residue now unexpired of the said term of years subject to the rent hereinafter reserved and to the performance and observance of the covenants on the part of the lessee and the conditions contained in the lease so far as the same relate to the Strata Lot;

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NOW THIS INDENTURE WITNESSETH as follows: 100042

1. In consideration of the sum of \$ _____ paid by the Purchaser to the Vendor (the receipt whereof is hereby by the Vendor acknowledged), the Vendor as beneficial owner hereby assigns to the Purchaser the Vendor's interest in the Strata Lot. TO HOLD unto the Purchaser for all the residue now unexpired of the term of the lease subject henceforth to the payment to the City of the rent and to the performance and observance of the covenants on the part of the lessee and the conditions contained in the lease so far as the same relate to the Strata Lot.

2. The Purchaser covenants with the Vendor and the City and each of them that the Purchaser shall during all the residue now unexpired of the term of the lease and every renewal thereof, observe and perform the covenants on the part of the Vendor, as lessee, and the conditions contained in the lease as fully and effectually as if the lease contained a separate demise of the Strata Lot.

3. The Purchaser covenants with the Vendor and the City and each of them to indemnify the Vendor and the City and each of them against all actions, suits, costs, expenses, charges, damages, losses, claims and demands for or on account of non-payment of the rent and the non-performance or non-observance of the said covenants and conditions contained in the lease so far as the same relate to the Strata Lot.

4. The Vendor covenants with the Purchaser that the lease so far as it relates to the Strata Lot is a valid and subsisting lease, that the covenants, provisos and conditions thereof on the part of the Vendor, as lessee, have been duly observed and performed up to the date hereof, that the Vendor is entitled to grant this assignment, that subject to the payment of the rent and the observance and performance of the covenants and conditions of the lease, the Purchaser may enjoy the Strata Lot for all the residue now unexpired of the term of the lease and any renewal thereof, without interruption by the Vendor or any person claiming through the Vendor and that the Vendor and the City shall at all

times hereafter at the request and cost of the Purchaser,
execute such further assurance in respect of this assignment
as the Purchaser may reasonably require.

5. The Purchaser acknowledges to the Vendor and the
City that the Purchaser has had the opportunity to read the
contents of the lease.

6. It is hereby agreed by the parties hereto that
this assignment shall enure to the benefit of and be binding
upon the parties hereto, their heirs, executors, administra-
tors, successors and assigns respectively.

IN WITNESS WHEREOF the parties hereto have hereunto
set their hands and seals.

The Corporate Seal of)
)
was hereunto affixed in the)
presence of:)
)
_____)
_____)

SIGNED, SEALED & DELIVERED)
in the presence of:)
)
Name: _____)
_____)
)
Address: _____)
_____)
)
Occupation: _____)

Sealed with the Common Seal of)
the CITY OF VANCOUVER and)
signed by:)
)
_____)
Director of Legal Services)

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SCHEDULE "A"

This is the schedule referred to
in sections 25.02 and 27.05 of this Lease

MODEL STRATA LOT LEASE

BETWEEN:

CITY OF VANCOUVER

(herein called the "LESSOR")

OF THE FIRST PART

AND:

UNITED PROPERTIES LTD., a company incorporated
under the laws of the Province of British Columbia,
with a registered office at No. 2400, 1066 West
Hastings Street, in the City of Vancouver in the
Province of British Columbia, Incorporation
No. 136500, and

IMBROOK PROPERTIES LIMITED, a company incor-
porated under the laws of the Province of
Ontario and being registered extra-provincially
under the laws of the Province of British
Columbia, having its registered office at
No. 500, 330 Bay Street, in the City of Toronto
in the Province of Ontario, Incorporation No.
A-15,662

(herein called the "LESSEE")

OF THE SECOND PART

AND:

The STRATA CORPORATION

(as herein defined)

OF THE THIRD PART

NOW THIS LEASE WITNESSES that in consideration of
the rents, covenants and agreements hereinafter reserved and
contained and on the part of the LESSEE to be paid, observed
and performed, the LESSOR has demised and leased and by
these presents does demise and lease unto the LESSEE and the
LESSEE does hereby take and rent upon and subject to the
conditions hereinafter expressed the STRATA LOT (herein
defined).

TO HAVE AND TO HOLD the STRATA LOT for and during

the TERM (herein defined).

YIELDING AND PAYING to the LESSOR the RENT as hereinafter provided.

This lease is made upon and subject to the following covenants and conditions of the LESSOR and the LESSEE which they respectively agree to keep, observe and perform.

ARTICLE I

DEFINITIONS

Section 1.01

The terms defined in this section 1.01 for all purposes of this lease unless otherwise specifically provided herein, have the meanings hereinafter specified. The terms here defined are:-

- (a) "BUILDINGS" means all structures and buildings constructed upon the SAID LANDS or any part thereof together with all replacements, alterations, additions, changes, substitutions, improvements or repairs thereto, all COMMON FACILITIES and all other improvements from time to time constructed hereafter upon or affixed or appurtenant to the SAID LANDS;
- (b) "COMMON FACILITY" means a facility that is available for the use of all the OWNERS, and, without limiting the generality of the foregoing, may include a laundry room, playground, swimming pool, recreation centre, clubhouse, tennis court, or any other facility;
- (c) "COMMON PROPERTY" means so much of the SAID LANDS for the time being comprised in the LEASEHOLD STRATA PLAN that is not comprised in any STRATA LOT shown in the LEASEHOLD STRATA PLAN;
- (d) "DATE OF THIS LEASE" means the date of deposit of the LEASEHOLD STRATA PLAN on which the STRATA LOT is shown;
- (e) "GROUND LEASE" means the lease of the SAID LANDS dated the *14th* day of *December*, 1979, and made between the City of Vancouver as LESSOR and United Properties Ltd. and Imbrook Properties Limited as LESSEE, registered in the Land Title Office at Vancouver;
- (f) "LEASEHOLD STRATA PLAN" means a strata plan deposited in the Vancouver Land Title Office pursuant to the STRATA TITLES ACT (herein defined), in which the land included in the strata plan is subject to this lease;

- (g) "MORTGAGE" means a mortgage or mortgages upon or in respect of the leasehold interest of the LESSEE in the SAID LANDS and the BUILDINGS or any part thereof or of a STRATA LOT and includes any deed of trust and mortgage to secure any bonds or debentures issued thereunder;
- (h) "MORTGAGEE" means a mortgagee or mortgagees under the MORTGAGE and includes any bondholder, trustee for bond holders or debenture holders under a deed of trust and mortgage to secure any bonds or debentures issued thereunder;
- (i) "OWNER" means a person or corporation registered in the Vancouver Land Title Office as a lessee pursuant to a lease of a leasehold interest from the LESSOR in a STRATA LOT whether entitled thereto in the right of the OWNER or in a representative capacity or otherwise and includes a purchaser as that term is defined in the STRATA TITLES ACT;
- (j) "RENT" means the amounts, if any, payable by the LESSEE pursuant to sections 2.01, 3.02, 3.04, 3.05, 5.10, 6.03, 6.04 and 15.02 of this lease;
- (k) "SAID LANDS" means those lands in the City of Vancouver in the Province of British Columbia, more particularly known and described as Lot 21, Block "A", District Lot 335, Plan 17921, and owned by the LESSOR excluding all buildings and improvements from time to time situate thereon;
- (l) "STRATA CORPORATION" means the corporation created by the provisions of the STRATA TITLES ACT, having as its members the lessee or lessees of the STRATA LOTS included in the LEASEHOLD STRATA PLAN and his or their successors and assigns;
- (m) "STRATA LOT" means a strata lot shown as such on the LEASEHOLD STRATA PLAN, including any structure erected therein or thereon and its share in the COMMON PROPERTY;

- (n) "STRATA TITLES ACT" means the Strata Titles Act, S.B.C. 1974, Chapter 89, as amended from time to time;
- (o) "TERM" means the period beginning on the date of deposit of the LEASEHOLD PLAN on which the STRATA PLAN is shown and ending on the *13th day of December, 2078*, together with the term of any renewal hereof pursuant to Article XXIII.
- (p) "UNIT ENTITLEMENT" means the unit entitlement of a STRATA LOT and indicates the share of an OWNER in the COMMON PROPERTY, COMMON FACILITIES, and other assets of the STRATA CORPORATION and is the figure by reference to which the OWNER's CONTRIBUTION to the common expenses of a STRATA CORPORATION is calculated.

Section 1.02

All the provisions of this lease shall be deemed and construed to be conditions as well as covenants as though the words specifically expressing or importing covenants or conditions were used in each separate provision hereof.

Section 1.03

The words "herein", "hereby", "hereunder" and words of similar import refer to this lease as a whole and not to any particular article, section or subsection thereof.

ARTICLE II

PAYMENT OF RENT

Section 2.01 Rent

If at the DATE OF THIS LEASE any of the RENT required to be paid by the LESSEE to the LESSOR under section 2.01 of the GROUND LEASE is unpaid the LESSEE covenants and agrees to pay to the LESSOR the unpaid balance of the RENT in accordance with the provisions of said section 2.01 as if that section were contained in this lease mutatis mutandis.

Section 2.02 Net Lease

ALL RENT required to be paid by the LESSEE hereunder shall be paid without any deduction, abatement or set-off whatsoever, it being the intention of this lease that all expenses, costs, payments and outgoings incurred in respect of the STRATA LOT, shall (unless otherwise expressly stipulated herein to the contrary) be borne by the LESSEE, that the RENT herein provided shall be absolutely net to the LESSOR and free of all abatements, set-off or deduction of real property taxes, charges, rates, assessments, expenses, costs, payments or outgoings of every nature arising from or related to the SAID LANDS, the BUILDINGS or the STRATA LOT, and that the LESSEE shall pay or cause to be paid all such taxes, charges, rates, assessments, expenses, costs, payments and outgoings.

Section 2.03 Interest on amounts in arrears

Subject to section 3.03 when RENT shall be in arrears, such amount shall bear interest at the rate of three (3%) per cent per annum above the average prime lending rate of the main branches of the chartered banks of Canada carrying on business in the City of Vancouver until paid, and the LESSOR shall have all the remedies for the collection of such interest, if unpaid after demand, as in the case of rent in arrears, but this stipulation for interest shall not prejudice or affect any other remedy of the LESSOR under this lease.

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ARTICLE III

PAYMENT OF TAXES

Section 3.01 Payment of Taxes if LESSOR
is not exempt therefrom

Save as otherwise provided in sections 3.02 and 17.03, the LESSEE will in each and every year during the TERM not later than the day immediately preceding the date or dates on which real-property taxes and other charges imposed upon real property within the City of Vancouver become due and payable whether monthly, quarterly, twice-yearly or otherwise, pay and discharge or cause to be paid and discharged all taxes, rates, duties, charges and assessments, including school taxes, local improvement rates and other charges which now are or shall or may be levied, rated, charged or assessed against the STRATA LOT, all other structures, all machinery, equipment, facilities and other property of any nature whatsoever thereon and therein, whether such taxes, rates, duties, charges and assessments are charged by any municipal, parliamentary, legislative, regional, school or other authority during the TERM and will indemnify and keep indemnified the LESSOR from and against payment of all losses, costs, charges and expenses occasioned by or arising from the non-payment of any and all such taxes, rates, duties, charges and assessments; and any such losses, costs, charges and expenses suffered by the LESSOR may be collected by the LESSOR as additional RENT with all rights of distress and otherwise as reserved to the LESSOR in respect of rent in arrears. The LESSEE further covenants and agrees that during the TERM it will deliver to the LESSOR for inspection receipts for payments of all taxes, rates, duties, charges, assessments, including school taxes, local improvement rates and other charges in respect of the STRATA LOT, all other structures, all machinery, equipment, facilities and other property of any nature whatsoever thereon and therein which were due and payable during the TERM within fourteen (14) days following receipt by the LESSEE of each of such receipts for payment. The LESSOR shall, not later than fourteen (14) days following the receipt of any assessment notices delivered to the LESSOR by any taxing authority relating to the STRATA LOT, all other structures, all machinery, equipment, facilities and other property of any nature

whatsoever thereon and therein, forward a copy thereof to the LESSEE. The LESSEE shall have the right from time to time to appeal any assessment of the STRATA LOT, or any other structures and any machinery, equipment facilities and other property of any nature whatsoever thereon and therein, or any other tax, rate, duty, charge or amount referred to in this section 3.01 provided that such appeal shall be at the sole cost and expense of the LESSEE. If the LESSEE is unable to appeal any assessment of the STRATA LOT, any machinery, equipment, facilities, and other property of any nature whatsoever thereon and therein, or any other tax, rate, duty, charge or amount referred to in this section 3.01 except in the name of the LESSOR, then the LESSEE shall have the right to appeal in the name of the LESSOR.

Notwithstanding anything herein contained, the LESSEE shall be responsible only for the payments referred to in this section 3.01 from the DATE OF THIS LEASE and if such date shall be other than the first day of January in any year, such payments as to the first and last years of this lease shall be reduced proportionately.

Section 3.02 Payment of Taxes if LESSOR
is exempt therefrom

The LESSEE covenants and agrees with the LESSOR that if during the TERM, the STRATA LOT, all other structures, all machinery, equipment and facilities and other property of any nature whatsoever thereon and therein are by the provisions of the Vancouver Charter, S.B.C. 1953, Chapter 55, as amended from time to time, or any other municipal, parliamentary, legislative or regional enactment exempt from taxation in whole or in part by reason of the LESSOR's ownership of the SAID LANDS and they would otherwise have been subject to taxation, then the LESSEE shall in each and every year during the TERM that such exemption occurs pay to the LESSOR as rent, in like manner and time as taxes are to be paid pursuant to section 3.01, an amount equal to the amount that but for such exemption would have been paid by the LESSEE pursuant to section 3.01 for taxes, rates, duties, charges, assessments, including school taxes and local improvement rates, and other charges. For such purpose in each year during the TERM the following provisions shall apply:

- (a) if the City of Vancouver or any other municipal, parliamentary, legislative, regional or other authority having the authority so to do passes a by-law or by-laws in advance of the passing of a rating by-law or preparation of the real-property tax roll for the current year providing for the payment of real-property taxes and other charges imposed or to be imposed upon real-property within the City of Vancouver by monthly, quarterly or twice-yearly installments or otherwise and providing that the amounts of such installments shall be a percentage of the amount of real-property taxes payable on the real-property roll for the immediately preceding year, the LESSOR shall deliver to the LESSEE an advance tax statement or statements of the amount or amounts owing under such by-law or by-laws from time to time in respect of the STRATA LOT, all other structures, all machinery and equipment and facilities and other property of any nature whatsoever thereon and therein; and
- (b) after the passing of a rating by-law or rating by-laws (as the case may be) by the City of Vancouver or any other municipal, parliamentary, legislative, regional or other authority having the authority so to do, establishing the rate or rates to be levied on real property within the City of Vancouver, for the current year, the LESSOR shall determine the RENT by applying the rate or rates of levy established by such rating by-law or rating by-laws (as the case may be) to the assessed value of the STRATA LOT, all other structures, all machinery, equipment and facilities and other property of any nature whatsoever thereon and therein as the said rate or rates of levy are applied to other taxpayers in the City of Vancouver in like case, and the LESSOR shall deliver to the LESSEE a statement of the amount payable under this section 3.02 after deducting all real-property taxes and other charges paid in advance for the current year.

The LESSEE shall have the right from time to time to appeal any assessment of the STRATA LOT, any other structures, any machinery, equipment, facilities and other property of any nature whatsoever thereon and therein, or any other tax, rate,

duty, charge or amount referred to in this section 3.02, provided that such appeal shall be at the sole cost and expense of the LESSEE. If in the future, the LESSEE is unable to appeal any assessment of the STRATA LOT, any other structures, any machinery, equipment, facilities and other property of any nature whatsoever thereon and therein, or any other tax, rate, duty, charge or amount referred to in this section 3.02 except in the name of the LESSOR, then the LESSEE shall have the right to appeal in the name of the LESSOR.

Notwithstanding anything herein contained, the LESSEE shall be responsible only for the payments referred to in this section 3.02 from the DATE OF THIS LEASE and if such date shall be other than the first day of January in any year, such payments as to the first and last years of this lease shall be reduced proportionately.

Section 3.03 Delinquent Taxes

If the LESSEE shall in any year during the TERM fail to pay the taxes under section 3.01 when due, the LESSEE shall thereupon pay interest at the percentage rate or rates established by the City of Vancouver by by-law under the Vancouver Charter, S.B.C. 1953, Chapter 55, as amended from time to time or any other taxing authority, for unpaid real property taxes in the City of Vancouver, and in addition thereto, if such be the case, the interest fixed by the Vancouver Charter, S.B.C. 1953, Chapter 55 as amended from time to time or any other taxing authority, for delinquent taxes.

Section 3.04 Payment for Utility Services

- (a) The LESSEE covenants with the LESSOR to pay for or cause to be paid when due all charges for gas, electricity, heat, power, telephone, water and other utilities and services used in or supplied to the STRATA LOT throughout the TERM and will indemnify and keep indemnified the LESSOR from and against payment of all losses, costs, charges and expenses occasioned by or arising from any and all such charges, and any such loss, costs, charges and expenses which relate to such charges suffered by the LESSOR may be collected by the LESSOR as RENT with all rights of distress and otherwise as reserved to the LESSOR in respect of rent in arrears.

- (b) The STRATA CORPORATION covenants with the LESSOR to pay for or cause to be paid when due all charges for gas, electricity, light, heat, power, telephone, water and other utilities and services used in or supplied to the COMMON PROPERTY, COMMON FACILITIES or the STRATA CORPORATION throughout the TERM (unless such charges are payable by the LESSEE under section 3.04(a)) and will indemnify and keep indemnified the LESSOR from and against payment of all losses, costs, charges and expenses occasioned by or arising from any and all such charges, and the STRATA CORPORATION shall reimburse the LESSOR for any such loss, costs, charges and expenses which relate to such charges suffered by the LESSOR within thirty (30) days after receipt of invoice therefor from the LESSOR and in default thereof the LESSEE's share of the amount to which the LESSOR is entitled to reimbursement from the STRATA CORPORATION (which share shall be determined as hereinafter set forth) may be recovered by the LESSOR as RENT with all rights of distress and otherwise as reserved to the LESSOR in respect of and as rent in arrears. In apportioning any amount to which the LESSOR is entitled to reimbursement under this section 3.04(b) such amount shall be borne by the LESSEE in the proportion that the UNIT ENTITLEMENT of the LESSEE's STRATA LOT bears to the aggregate UNIT ENTITLEMENT of all of the STRATA LOTS from time to time.

Section 3.05 Business Tax and License Fees

- (a) The LESSEE covenants with the LESSOR to pay for or cause to be paid when due every tax and permit and license fee in respect of any and every business carried on, upon or in the STRATA LOT, in respect of the use or occupancy thereof by the LESSEE (and any and every sub-lessee, permittee and licensee) other than such taxes as corporate income, profits or excess profit taxes assessed upon the income of the LESSEE (or such sub-lessee, permittee and licensee) whether such taxes or permit and license fees are charged by any municipal, parliamentary, legislative,

regional, or other authority during the TERM and will indemnify and keep indemnified the LESSOR from and against payment of all losses, costs, charges and expenses occasioned by or arising from any and all such taxes and permit and license fees, and any such loss, costs, charges and expenses which relate to such charges suffered by the LESSOR may be collected by the LESSOR as RENT with all rights of distress and otherwise as reserved to the LESSOR in respect of rent in arrears.

- (b) The STRATA CORPORATION covenants with the LESSOR to pay for or cause to be paid when due every tax and permit and license fee in respect of any and every business carried on, upon or in the COMMON PROPERTY or COMMON FACILITIES (unless such tax or fee is payable by the LESSEE under section 3.05(a)) whether such taxes or permit and license fees are charged by any municipal, parliamentary, legislative, regional or other authority during the TERM and will indemnify and keep indemnified the LESSOR from and against payment of all losses, costs, charges and expenses occasioned by or arising from any and all such taxes and permit and license fees, and the STRATA CORPORATION shall reimburse the LESSOR for any such loss, costs, charges and expenses which relate to such charges suffered by the LESSOR within thirty (30) days after receipt of invoice therefor from the LESSOR and in default thereof the LESSEE's share of the amount to which the LESSOR is entitled to reimbursement from the STRATA CORPORATION (which share shall be determined as herein-after set forth) may be recovered by the LESSOR as RENT with all rights of distress and otherwise as reserved to the LESSOR in respect of and as rent in arrears. In apportioning any amount to which the LESSOR is entitled to reimbursement under this section 3.05(b) such amount shall be borne by the LESSEE in the proportion that the UNIT ENTITLEMENT of the LESSEE's STRATA LOT bears to the aggregate UNIT ENTITLEMENT of all of the STRATA LOTS from time to time.

ARTICLE IV

USE OF STRATA LOT

Section 4.01 Use of Strata Lot

The LESSEE covenants and agrees that the STRATA LOT shall not be used for any purpose except that of a townhouse or two-family semi-detached dwelling, together with other facilities ancillary thereto and connected therewith as set forth in the DEVELOPMENT PERMIT, subject always to By-law No. 3575, being the Zoning and Development By-law of the City of Vancouver, By-law No. 4986, being a by-law to amend By-law No. 3575, and any and all development permits, building permits and other permits issued in respect of the SAID LANDS and BUILDINGS from time to time pursuant to the Vancouver Charter or any other statutory authority or any by-laws, resolutions or regulations of the City of Vancouver.

ARTICLE V

INSURANCE

Section 5.01 Insurance

At all times during the TERM, the STRATA CORPORATION shall at no expense to the LESSOR insure and keep insured or cause to be insured the BUILDINGS and insurable improvements owned by the STRATA CORPORATION with one or more companies entitled to do business in the Province of British Columbia against loss or damage by fire and other perils now or hereafter from time to time embraced by or defined in the commercial building form of insurance coverage applicable to similar properties as the SAID LANDS, the BUILDINGS and any insurable improvements owned by the STRATA CORPORATION and effected in the Province of British Columbia by prudent owners from time to time during the TERM including, without restricting the generality of the foregoing, the hazards of lightening, explosion, wind, storm, cyclone, tornado, hail, riot, civil commotion, malicious damage, aircraft, smoke and vehicle damage to the extent that insurance against such risk or perils, or any of them, may be obtained in an amount equal to the full replacement value thereof.

Section 5.02 Pressure Vessel Insurance

At all times during the TERM the STRATA CORPORATION shall, at no expense to the LESSOR maintain or cause to be maintained in respect of the BUILDINGS pressure vessel insurance with one or more companies entitled to do business in the Province of British Columbia protecting the LESSOR, the STRATA CORPORATION and the LESSEE in respect of all boilers and such other pressure vessels as the STRATA CORPORATION may from time to time deem it necessary to insure in amounts to be designated by the STRATA CORPORATION and approved by the LESSOR, such approval not to be unreasonably withheld; such insurance shall also cover loss or damage caused by rupture of steam pipes.

Section 5.03 Deductible Amounts

Any of the policies of insurance referred to in section 5.01 or 5.02 hereof may, with the approval of the LESSOR, which approval shall not be unreasonably withheld, provide that the amount payable in the event of any loss shall be reduced by a deductible amount, such amount to be designated by the STRATA CORPORATION and approved by the LESSOR, such approval not to be unreasonably withheld, and the STRATA CORPORATION shall be a co-insurer to the extent of the amount so deducted from the insurance monies paid in the event of any loss, and the said amount shall, for the purpose of section 5.07 hereof, be included as part of the insurance monies payable and paid.

Section 5.04 Co-insurance Clauses

If any of the policies of insurance referred to in section 5.01 or 5.02 hereof shall contain any co-insurance clauses the STRATA CORPORATION shall maintain at all times a sufficient amount of insurance to meet the requirements of such co-insurance clauses so as to prevent the LESSOR, the LESSEE or the STRATA CORPORATION from becoming a co-insurer under the terms of such policy or policies and to permit full recovery in the event of loss.

Section 5.05 Identity of Insured

Any and all policies of insurance referred to in section 5.01 and 5.02 hereof shall be written in the name of the LESSOR and the STRATA CORPORATION as the insureds with loss payable to the LESSOR, the STRATA CORPORATION and the MORTGAGEE (if any) as their respective interests may appear. Each policy of insurance referred to in sections 5.01 and 5.02 hereof shall contain a provision or shall bear an endorsement that the insurer will not cancel such policy without first giving the LESSOR at least fifteen (15) days' notice in writing of its intention to cancel.

Section 5.06 Release of LESSOR from liability
for insured loss or damage

The STRATA CORPORATION and the LESSEE release the

LESSOR, its successors and assigns, from any and all liability for loss or damage caused by any of the perils against which the STRATA CORPORATION shall have insured or pursuant to the terms of this lease is obligated to insure the BUILDINGS and any insurable improvements owned by the STRATA CORPORATION or any part or parts thereof, and whether or not such loss or damage may have arisen out of the negligence of the LESSOR and the STRATA CORPORATION hereby covenants to indemnify and save harmless the LESSOR in its capacity as landlord from and against all manner of actions, causes of action, suits, damages, loss, costs, claims and demands of any nature whatsoever relating to such loss or damage.

Section 5.07 Payment of Loss under the Insurance Policies referred to in sections 5.01 and 5.02

- (a) Subject to section 5.07(b), the insurance monies payable under any or all of the policies or insurance referred to in section 5.01 or section 5.02 hereof shall, notwithstanding the terms of the policy or policies, be paid to the order of the insurance trustee designated by the By-laws of the STRATA CORPORATION, if any, otherwise it shall be paid to or to the order of the STRATA CORPORATION on behalf of the LESSOR, the LESSEE, the STRATA CORPORATION and the MORTGAGEE, if any.

- (b) Subject to ARTICLE VII the STRATA CORPORATION shall use such insurance monies for the restoration, reconstruction or replacement of the loss or damage in respect of which such insurance monies are payable hereunder against certificates of the architect engaged by the STRATA CORPORATION or such other person as the LESSOR and the STRATA CORPORATION may agree upon who is in charge of such restoration, reconstruction or replacement. Should the STRATA CORPORATION fail to effect the restoration, reconstruction or replacement of the loss or damage in respect of which the insurance monies are payable, without unreasonable delay, the LESSOR shall be entitled to effect such restoration, reconstruction or replacement and the STRATA CORPORATION shall pay or cause the said insurance trustee to whom such insurance monies are payable to pay to the LESSOR such insurance monies in the same manner

the said insurance trustee or the STRATA CORPORATION would have done had the STRATA CORPORATION effected such restoration, reconstruction or replacement.

Section 5.08 Workers' Compensation coverage

At all times during the TERM, the STRATA CORPORATION shall at its own expense procure and carry or cause to be procured and carried and paid for full workers' compensation coverage in respect of all workmen, employees, servants and others engaged in or upon any work, non-payment of which would create a lien on the SAID LANDS or the BUILDINGS.

Section 5.09 Comprehensive General Liability

At all times during the TERM, the STRATA CORPORATION shall at no expense to the LESSOR, maintain or cause to be maintained with one or more companies duly authorized to carry on business within the Province of British Columbia, comprehensive general liability insurance against claims for personal injury, death or property damage or loss arising out of the use and occupation of the SAID LANDS and BUILDINGS and any insurable improvements owned by the STRATA CORPORATION indemnifying and protecting the LESSOR, the LESSEE and the STRATA CORPORATION to limits determined on a reasonable basis and approved from time to time by the LESSOR, such approval not to be unreasonably withheld.

Section 5.10 Payment of Insurance Premiums

The STRATA CORPORATION shall pay all the premiums under the policies of insurance referred to in this ARTICLE V as they become due and payable whether such policies are obtained and maintained by the STRATA CORPORATION under Sections 5.01, 5.02 or 5.09 or by the LESSOR under section 5.12 and in default of payment the LESSOR may pay the same and the STRATA CORPORATION shall reimburse the LESSOR for the amount so paid by the LESSOR within thirty (30) days after receipt of an invoice therefor from the LESSOR and in default whereof the LESSEE's share of the amount so paid (which share shall be

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determined as hereinafter set forth) may be recovered by the LESSOR as RENT with all rights of distress and otherwise as reserved to the LESSOR in respect of and as rent in arrears. In apportioning the cost of such insurance , such cost shall be borne by the LESSEE in the proportion that the UNIT ENTITLEMENT of the LESSEE's STRATA LOT bears to the aggregate UNIT ENTITLEMENT of all of the STRATA LOTS from time to time. The LESSOR shall submit to the LESSEE annually a statement of the amount or amounts payable by the LESSEE under section 5.12 as the cost of such insurance for the next ensuing year and upon receipt of payment therefore shall apply the same on account of the premiums of such insurance with the loss, if any, thereunder payable to the LESSOR, the LESSEE, the STRATA CORPORATION and any MORTGAGEE, as their interests may appear.

Section 5.11 Copies of Insurance Policies

The STRATA CORPORATION shall deliver or cause to be delivered to the LESSOR certified copies of all policies of insurance referred to in this ARTICLE V and obtained and maintained by the STRATA CORPORATION hereunder, accompanied by evidence satisfactory to the LESSOR that the premiums thereon have been paid.

Section 5.12 Insurance to be maintained by LESSOR

The LESSOR and the LESSEE agree that should the STRATA CORPORATION at any time during the TERM fail to insure or keep insured the BUILDINGS against loss or damage by fire and other perils as required under section 5.01 or fail to maintain in respect of the BUILDINGS, pressure vessel insurance as required under section 5.02, or fail to maintain insurance against claims for personal injury, death or property damage or loss as required under section 5.09, then in any of such events, the LESSOR, although not obliged to do so, may obtain and maintain such insurance in such reasonable amount or amounts with such deductible amounts and for such period or periods of time as the LESSOR deems advisable.

The terms of section 5.07(b) are applicable to any insurance monies payable pursuant to policies of insurance obtained or maintained under this section 5.12.

The terms of section 5.10 are applicable to the payment of all the premiums under the policies of insurance obtained and maintained by the LESSOR under this section 5.12.

ARTICLE VI

REPAIRS

Section 6.01 LESSOR not obliged to repair

The LESSOR shall not be obliged to furnish any services or facilities or to make repairs or alterations in or to the SAID LANDS or the BUILDINGS, the LESSEE hereby assuming the full and sole responsibility for the condition, operation, repair, replacement, maintenance and management of the SAID LANDS and the BUILDINGS.

Section 6.02 Repairs

- (a) The LESSEE at the LESSEE's costs and expense shall during the TERM, put and keep the STRATA LOT, including windows and doors and areas allocated to its exclusive use, in good order and condition or shall cause them to be put and kept in good order and condition (reasonable wear and tear excepted so long as the reasonable wear and tear does not unreasonably affect the exterior appearance of the BUILDINGS or the foundation or structure of the BUILDINGS).
- (b) The STRATA CORPORATION at no cost to the LESSOR shall during the TERM maintain and repair the exterior of the BUILDINGS (excluding windows, doors, balconies and patios included in a STRATA LOT) including the decorating of the whole of the exterior of the BUILDINGS and shall maintain and repair (including renewal where reasonably necessary) pipes, wires, cables, chutes and ducts for the time being existing in the SAID LANDS or BUILDINGS and capable of being used in connection with the enjoyment of more than one STRATA LOT or COMMON PROPERTY and shall maintain all common areas both internal and external, including lawns, gardens, parking and storage areas, public halls and lobbies and shall keep in a state of good and serviceable repair and properly maintain the fixtures and fittings including all elevators, swimming pools and recreational facilities, and other apparatus and equipment used in

connection with the COMMON PROPERTY, COMMON FACILITIES or other assets of the STRATA CORPORATION (reasonable wear and tear excepted so long as the reasonable wear and tear does not unreasonably affect the exterior appearance of the BUILDINGS or the foundation or structure of the BUILDINGS).

- (c) The LESSEE and the STRATA CORPORATION shall in the same manner and to the same extent as prudent owners make such repairs so that the BUILDINGS and all appurtenances and equipment and fixtures thereto as aforesaid shall be fully usable for all of the purposes for which the same were erected and constructed and such repairs shall be in all respects to a standard at least substantially equal in quality of material and workmanship to the original work and material in the BUILDINGS and shall meet the requirements of municipal, provincial, federal, regional, school and other governmental authorities.
- (d) The STRATA CORPORATION and the LESSEE shall not commit or suffer waste or injury to the SAID LANDS or the BUILDINGS or any part thereof (reasonable wear and tear excepted so long as the reasonable wear and tear does not unreasonably affect the exterior appearance of the BUILDINGS or the foundation or structure of the BUILDINGS) and shall not use or occupy or permit to be used or occupied the SAID LANDS or the BUILDINGS or any part thereof for any illegal or unlawful purpose, or in any manner which will result in the cancellation of any insurance, or in the refusal of any insurers generally to issue any insurance as requested. The STRATA CORPORATION shall at all times except to the extent that it may be relieved therefrom by municipal by-laws or regulations, keep the roadways, sidewalks, curbs, areaways and passage ways forming part of the SAID LANDS in good condition and repair and reasonably clean from rubbish, ice and snow and shall not encumber or obstruct the same or allow the same to be encumbered or obstructed in any manner; and the LESSEE and the STRATA CORPORATION shall not injure or disfigure the SAID LANDS or the BUILDINGS or permit the same to be injured or disfigured in any way; and at the expiration or other termination of this lease, the LESSEE shall, except as otherwise expressly provided herein, surrender and deliver up the STRATA LOT in good order and condition (reasonable wear and tear excepted so long as the reasonable

wear and tear does not unreasonably affect the exterior appearance of the BUILDINGS or the foundation or structure of the BUILDINGS). The LESSEE and the STRATA CORPORATION agree not to call upon the LESSOR at any time during the TERM to make any repairs or replacements of any part of the BUILDINGS, or any alteration, addition, change, substitution or improvement thereof or thereto, whether structural or otherwise, this being a net lease. The LESSEE accepts the STRATA LOT "as is", knowing the condition thereof, and agreeing that the LESSOR has made no representation, warranty or agreement with respect thereto.

Section 6.03 Repairs made by LESSOR

- (a) If the LESSEE is in breach of the provisions of section 6.02(a), the LESSOR through its agents, servants, contractors and sub-contractors although not obliged to do so, may enter upon the STRATA LOT and those parts of the SAID LANDS and the BUILDINGS required for the purpose of making the necessary repairs required to remedy the breach.
- (b) If the STRATA CORPORATION is in breach of the provisions of section 6.02(b), the LESSOR through its agents, servants, contractors and sub-contractors although not obliged to do so, may enter upon those parts of the SAID LANDS and the BUILDINGS required for the purpose of making the necessary repairs required to remedy the breach.
- (c) The LESSOR covenants and agrees with the LESSEE and the STRATA CORPORATION to make such repairs only after giving the LESSEE or the STRATA CORPORATION, as the case may be, sixty (60) days' written notice of its intention so to do, except in the case of an emergency in which event no notice shall be required. Any amount paid by the LESSOR in making such repairs together with all costs and expenses of the LESSOR shall be reimbursed to the LESSOR, in the case of repairs necessitated by a breach of section 6.02(a) by the LESSEE and in the case of a breach by the STRATA CORPORATION of the provisions of section 6.02(b) by the STRATA CORPORATION on demand together with interest at the rate of three (3%) per cent per annum above the average prime lending rate of the main branches of the chartered banks of Canada carrying on business in the City of Vancouver from the date incurred until paid and

and may be recovered by the LESSOR in the case of repairs necessitated by a breach of section 6.02(a) from the LESSEE as RENT and in the case of a breach of the provisions of section 6.02(b) in default of reimbursement by the STRATA CORPORATION of the LESSOR, the LESSEE's share of the amount so paid (which share shall be determined as hereinafter set forth) may be recovered by the LESSOR from the LESSEE as RENT.

In apportioning any amount to which the LESSOR is entitled to reimbursement under this section 6.03(c) such amount shall be borne by the LESSEE in the proportion that the UNIT ENTITLEMENT of the LESSEE's STRATA LOT bears to the aggregate UNIT ENTITLEMENT of all of the STRATA LOTS from time to time.

Section 6.04 Removal of Ice and Snow from Sidewalks

The STRATA CORPORATION covenants and agrees with the LESSOR that if the STRATA CORPORATION at any time during the TERM fails to keep the public sidewalk adjacent to the SAID LANDS reasonably clean from ice and snow during the times and to the extent required by an owner under the provisions of the City of Vancouver Street and Traffic By-law and amendments thereto, the LESSOR through its agents, servants, contractors and sub-contractors although not obliged to do so may remove such ice and snow and the LESSOR shall not be required to give the STRATA CORPORATION any notice of its intention so to do. Any costs and expenses incurred by the LESSOR in removing such ice and snow shall be reimbursed by the STRATA CORPORATION to the LESSOR on demand together with interest at the rate of three (3%) per cent per annum above the average prime lending rate of the main branches of the chartered banks of Canada carrying on business in the City of Vancouver until paid, and in default of reimbursement by the STRATA CORPORATION to the LESSOR the LESSEE's share of the amount so paid (which share shall be determined as hereinafter set forth) may be recovered by the LESSOR from the LESSEE as RENT. In apportioning any amount to which the LESSOR is entitled to reimbursement by the LESSEE under this section 6.04 such amount shall be borne by the LESSEE in the proportion that the UNIT ENTITLEMENT of the LESSEE's STRATA LOT bears to the aggregate UNIT ENTITLEMENT of all of the STRATA LOTS from time to time.

ARTICLE VII

DESTRUCTION OR DEEMED DESTRUCTION
OF THE BUILDINGS

Section 7.01 STRATA TITLES ACT provisions

It is hereby acknowledged and agreed by and between the parties hereto that Part I of the STRATA TITLES ACT contains special provisions concerning insurance in Section 30, concerning disposition or destruction of buildings in Section 34 and concerning deemed destruction of the buildings in Section 35 and the same by Section 51 of the STRATA TITLES ACT are applicable to LEASEHOLD STRATA PLANS with the necessary changes and so far as are applicable to Part III of the STRATA TITLES ACT and Sections 60, 61 and 62 contain further provisions in this regard and the parties hereto shall be entitled to exercise such rights and with such consequences as are therein set forth and in the event that there shall be any conflict or inconsistency between the rights and obligations of the parties herein contained and the said provisions of the STRATA TITLES ACT, the said provisions of the STRATA TITLES ACT shall prevail, PROVIDED HOWEVER that if the said provisions of the STRATA TITLES ACT are amended so as to make them no longer applicable to this lease, then on the date on which such amendment shall come into force, the provisions of Schedule "A" attached hereto shall apply mutatis mutandis to this lease and be binding on the parties to the extent that the said provisions of the STRATA TITLES ACT are no longer applicable hereto.

ARTICLE VIII

CHANGES, ALTERATIONS AND ADDITIONS

Section 8.01

The LESSEE or the STRATA CORPORATION shall have the right at any time during the TERM to make at its own expense such changes, alterations and additions to the interior of the STRATA LOT or the BUILDINGS provided that there is no decrease in the value resulting therefrom. The LESSEE or the STRATA CORPORATION shall not make or permit to be made any changes, alterations or additions affecting the structure of the BUILDINGS or the exterior appearance of the BUILDINGS without the written approval of the LESSOR thereto, which approval the LESSOR shall not withhold unreasonably. No changes, alterations or additions involving an estimated cost of more than Fifty Thousand (\$50,000.00) Dollars shall be undertaken until the LESSEE or the STRATA CORPORATION shall have submitted or caused to be submitted to the LESSOR drawings, elevations (where applicable), specifications (including the materials to be used), locations (where applicable) and exterior decoration and design of the proposed changes, alterations or additions and until the same have been approved in writing by the LESSOR, which approval the LESSOR agrees not to unreasonably withhold.

The LESSEE covenants and agrees with the LESSOR that, subject to Article IX, all changes, alterations and additions undertaken by or for the LESSEE or the STRATA CORPORATION once begun shall be prosecuted with due diligence to completion, free and clear of all mechanics' liens or other liens, claims or encumbrances against the STRATA LOT, the SAID LANDS, the BUILDINGS or the LESSOR. All such changes, alterations, and additions shall meet the requirements of all municipal, provincial, federal, regional, school and other governmental authorities.

ARTICLE IX

UNAVOIDABLE DELAYS

Section 9.01

If, by reason of strike, lock-out or other labour dispute, material or labour shortage not within the control of the LESSEE or the STRATA CORPORATION, fire or explosion, flood, wind, water, earthquake, act of God or other similar circumstances beyond the reasonable control of the LESSEE or the STRATA CORPORATION and not avoidable by the exercise of reasonable effort or foresight by the LESSEE or the STRATA CORPORATION, the LESSEE or the STRATA CORPORATION is, in good faith and without default or neglect on its part, prevented or delayed in the repair of the STRATA LOT or the BUILDINGS or any part or parts of them which under the terms of this lease the LESSEE or the STRATA CORPORATION respectively is required to do by a specified date or within a specified time, the date or period of time within which the work was to have been completed shall be extended by the LESSOR by a reasonable period of time at least equal to that of such delay or prevention and the LESSEE or the STRATA CORPORATION shall not be deemed to be in default if it performs and completes the work in the manner required by the terms of this lease within such extended period of time, or within such further extended period of time as may be agreed upon from time to time between the LESSOR and the LESSEE or the STRATA CORPORATION as the case may be. If the LESSOR and the LESSEE or the STRATA CORPORATION as the case may be cannot agree as to whether or not there is a prevention or delay within the meaning of this section or they cannot agree as to the length of such prevention or delay, then such matter shall be determined by reference to arbitration in accordance with section 19.01.

ARTICLE X

MECHANICS' LIENS

Section 10.01

- (a) The LESSEE shall, throughout the TERM at its own cost and expense, cause any and all mechanics' liens and other liens for labour, services or materials alleged to have been furnished with respect to the STRATA LOT, the SAID LANDS or the BUILDINGS, which may be registered against the STRATA LOT, to be paid, satisfied, released or vacated within forty-two (42) days after the LESSOR shall send to the LESSEE written notice by registered mail of any claim for any such lien, PROVIDED HOWEVER, that in the event of a bona fide dispute by the LESSEE of the validity or correctness of any claim for any such lien, the LESSEE shall not be bound by the foregoing but shall be entitled to defend against the same in any proceedings brought in respect thereof after first paying into Court the amount claimed or sufficient security therefor and such costs as the Court may direct and registering all such documents as may be necessary to cancel such lien, or providing such other security in respect of such claim as the LESSOR may in writing approve.
- (b) The STRATA CORPORATION shall, throughout the TERM at its own cost and expense, cause any and all mechanics' liens and other liens for labour, services or materials alleged to have been furnished with respect to the COMMON FACILITIES, COMMON PROPERTY, the SAID LANDS or the BUILDINGS, which may be registered against the COMMON FACILITIES, COMMON PROPERTY, the SAID LANDS or the BUILDINGS and are not the responsibility of the LESSEE under section 10.01(a), to be paid, satisfied, released or vacated within forty-two (42) days after the LESSOR shall send to the STRATA CORPORATION written notice by registered mail of any claim for any such lien, PROVIDED HOWEVER, that in the event of a bona fide dispute by the STRATA CORPORATION of the validity or correctness of any claim for any such lien, the STRATA CORPORATION shall not be bound by the foregoing but shall be entitled to defend against the same in any proceedings brought in respect thereof after first paying into Court the amount claimed or sufficient security therefore and such costs as the Court may direct and registering

all such documents as may be necessary to cancel such lien, or providing such other security in respect of such claim as the LESSOR may in writing approve.

ARTICLE XI

INSPECTION AND EXHIBITION BY LESSOR

Section 11.01 Inspection by LESSOR

The LESSEE and the STRATA CORPORATION agree with the LESSOR that it shall be lawful for a representative of the LESSOR at all reasonable times during the TERM to enter the STRATA LOT and the SAID LANDS and the BUILDINGS, or any of them, and to examine the condition thereof; and, further, that all wants of reparation required by section 6.02 which upon such views shall be found, and for the amendment of which notice shall be delivered or given by the LESSOR to the LESSEE or the STRATA CORPORATION, the LESSEE or the STRATA CORPORATION as the case may be shall within sixty (60) days after every such notice or such longer period as provided in section 17.01(b) well and sufficiently repair and make good accordingly.

Section 11.02 Exhibition by LESSOR

During the final twelve (12) months of the TERM, unless this lease is renewed as provided in ARTICLE XXIII the LESSOR shall be entitled to display upon the SAID LANDS the usual signs advertising the STRATA LOT as being available for purchase or letting, provided such signs are displayed in such a manner as not to interfere unreasonably with the LESSEE's use and enjoyment of the STRATA LOT or the SAID LANDS.

ARTICLE XII

OBSERVANCE OF GOVERNMENTAL
REGULATIONS ETC.

Section 12.01

The LESSEE and the STRATA CORPORATION covenant with the LESSOR that throughout the TERM the LESSEE and the STRATA CORPORATION respectively will comply with all provisions of law including without limitation, municipal, regional, provincial and federal legislative enactments, zoning and building by-laws, and any municipal, regional, provincial, federal or other governmental regulations which relate to the equipment, maintenance, operation and use of the STRATA LOT and BUILDINGS respectively and to the making of any repairs, replacements, alterations, additions, changes, substitutions or improvements of or to the STRATA LOT or the BUILDINGS or any part thereof respectively. The LESSEE and the STRATA CORPORATION covenant to comply with all police, fire and sanitary regulations imposed by any municipal, regional, provincial, federal or other governmental authorities and to observe and obey all municipal, regional, provincial, federal and other governmental regulations and other legal requirements governing the use and occupation of the STRATA LOT or the BUILDINGS.

ARTICLE XIII

RIGHTS OF LESSOR AND LESSEE

Section 13.01

All rights and benefits and all obligations of the LESSOR and the LESSEE under this lease shall be rights, benefits and obligations of the LESSOR and the LESSEE respectively in their capacities as lessor and lessee respectively under this lease.

ARTICLE XIV

INDEMNITY

Section 14.01 Breach, Violation or Non-performance
of covenants by LESSEE

- (a) The LESSEE shall indemnify and save harmless the LESSOR from any and all manner of actions, causes of actions, suits, damages, loss, costs, claims and demands of any nature whatsoever relating to and arising during the TERM out of any breach, violation or non-performance of any covenant, condition or agreement in this lease set forth and contained on the part of the LESSEE to be fulfilled, kept, observed or performed;
- (b) The STRATA CORPORATION shall indemnify and save harmless the LESSOR from any and all manner of actions, causes of action, suits, damages, loss, costs, claims and demands of any nature whatsoever relating to and arising during the TERM out of any breach, violation or non-performance of any covenant, condition or agreement in this lease set forth and contained on the part of the STRATA CORPORATION to be fulfilled, kept, observed or performed.

Section 14.02 Injury, damage or loss of property

- (a) Notwithstanding the provisions of section 5.06 hereof, the LESSEE and the STRATA CORPORATION shall indemnify and save harmless the LESSOR from any and all manner of actions, causes of action, suits, damages, loss, costs, claims and demands of any nature whatsoever relating to and arising during the TERM out of:
 - (i) any injury to person or persons, including death resulting at any time therefrom, occurring in the STRATA LOT; and
 - (ii) any damage to or loss of property occasioned by the use and occupation of the STRATA LOT.

- (b) Notwithstanding the provisions of section 5.06 hereof, the STRATA CORPORATION shall indemnify and save harmless the LESSOR from any and all manner of actions, causes of action, suits, damages, loss, costs, claims and demands of any nature whatsoever relating to and arising during the TERM out of:
- (i) any injury to person or persons, including death resulting at any time therefrom occurring in or about the SAID LANDS or the BUILDINGS except that part thereof comprised in the STRATA LOT,
 - (ii) any damage to or loss of property occasioned by the use and occupation of the SAID LANDS or the BUILDINGS except that part thereof comprised in the STRATA LOT,

Provided however that, except as otherwise required of the LESSEE under section 5.06, nothing contained herein shall require the LESSEE or the STRATA CORPORATION to indemnify the LESSOR against any actions, causes of action, suits, claims or demands for damages arising out of the negligent acts of the LESSOR, its servants, agents or contractors.

Section 14.03 Indemnification survives
termination of lease

The obligations of the LESSEE or the STRATA CORPORATION (as the case may be) to indemnify the LESSOR under the provisions of section 3.01, 3.04, 3.05, 5.06, 14.01 and 14.02 hereof with respect to liability by reason of any matter arising during the TERM shall survive any termination of this lease, anything in this lease to the contrary notwithstanding but subject always to section 26.06.

ARTICLE XV

SUBLETTING AND ASSIGNING

Section 15.01 Subletting by LESSEE

- (a) The LESSEE may at any time and from time to time during the TERM sublease the STRATA LOT if it has been substantially completed (in accordance with sections 5.01 and 5.02 of the GROUND LEASE) and the City of Vancouver has issued an occupancy permit in respect thereof, without the consent of the LESSOR;
- (b) If requested by the LESSOR, a copy of any or all subleases shall be forwarded to the LESSOR within thirty (30) days of the conclusion of each transaction together with particulars of registration (if any) in the Vancouver Land Title Office.

Section 15.02 Assignment by LESSEE

Whether or not all of the BUILDINGS have been substantially completed (in accordance with sections 5.01 and 5.02 of the GROUND LEASE) the LESSEE may at any time and from time to time during the TERM, assign, transfer or convey the STRATA LOT without the consent of the LESSOR; PROVIDED HOWEVER that such assignment, transfer or conveyance by the LESSEE of its leasehold interest in a STRATA LOT (other than by way of MORTGAGE) shall be subject to the following conditions:

- (a) the assignment, transfer or conveyance shall be in the form attached hereto as Schedule "B" which forms part of this lease with such additions, deletions or amendments thereto as are appropriate to the premises to be assigned and as are approved by the LESSOR and shall be executed by or on behalf of the vendor and purchaser named therein and the LESSOR before being deposited for registration in the Vancouver Land Title Office;
- (b) the STRATA LOT has been substantially completed (in accordance with sections 5.01 and 5.02 of the GROUND LEASE) and the City of Vancouver has issued an occupancy certificate in respect thereof;

- (c) as soon as reasonably possible following the execution of each assignment, transfer or conveyance by the parties thereto but not later than the date upon which such instrument is deposited for registration in the Vancouver Land Title Office the LESSEE shall pay to the LESSOR so long as there is any RENT remaining unpaid under section 2.01 (whether or not such RENT is due and owing) the sum of twelve thousand five hundred (\$12,500.00) dollars which shall be applied by the LESSOR toward the reduction of the balance of the RENT as shall remain unpaid from time to time under section 2.01 and the LESSEE shall pay interest at the rate of 13% per annum on the resulting unpaid balance from time to time as if the payments had been made under section 2.01;
- (d) all ADDITIONAL RENT and taxes required to be paid hereunder have been paid in full in accordance with this lease;
- (e) a copy of all such assignments, transfers or conveyances shall be furnished to the LESSOR within thirty (30) days of the conclusion of each transaction together with particulars of registration in the Vancouver Land Title Office.

Section 15.03 Assignment or subletting by way of MORTGAGE

Nothing herein contained shall be construed to prevent or prohibit the assignment or subletting by the LESSEE of the STRATA LOT by way of MORTGAGE, provided, however, that in the event of and notwithstanding any such assignment or subletting the LESSEE shall be and remain liable for the payment of all RENT and taxes and the performance of all the terms, covenants and conditions of this lease. Subject to the provisions of section 17.02 every MORTGAGE shall be made expressly subject to the rights of the LESSOR under this lease. If requested by the LESSOR, a copy of any or all MORTGAGES shall be furnished to the LESSOR together with particulars of registration in the Vancouver Land Title Office within thirty (30) days of such request.

ARTICLE XVI

NEW HOME WARRANTY PROGRAM OF BRITISH COLUMBIA

Section 16.01

The LESSEE covenants and agrees with the LESSOR to enroll with the New Home Warranty Program of British Columbia, a division of Pacific New Home Services, Inc. and a body corporate carrying on business in British Columbia, each dwelling unit forming part of the BUILDINGS which the LESSEE commences to construct in accordance with section 5.01 of this lease and provide the LESSOR with evidence satisfactory to the LESSOR that such dwelling units have been so enrolled. If the New Home Warranty Program terminates prior to all dwelling units having been enrolled in the same, then the LESSEE shall enroll the remaining dwelling units in such other home warranty program as may then be available in the Province of British Columbia that is satisfactory to the LESSOR, but if no such alternate program is then available, the LESSEE shall be relieved from its obligations under this Section with respect to the balance of the dwelling units then remaining to be constructed and not previously enrolled in the New Home Warranty Program.

ARTICLE XVII

DEFAULT

Section 17.01 Forfeiture on default

Subject to the provisions of section 17.02, if

- (a) the LESSEE shall default in payment of RENT or taxes (except taxes, if any, payable under section 3.01) and such default shall continue for a period of thirty (30) days after written notice of intention to terminate this lease by reason of such default shall have been given by the LESSOR to the LESSEE; or
- (b) the LESSEE or the STRATA CORPORATION shall default in performing or observing any of its covenants or obligations under this lease (other than those referred to in section 17.01(a)) and the LESSOR shall have given to the LESSEE notice of such default and at the expiration of sixty (60) days after the giving of such notice the default shall continue to exist or, in the case of a default which cannot with due diligence be cured within the period of sixty (60) days aforesaid, the LESSEE fails to proceed promptly after the giving of such notice to cure such default; and
- (c) the LESSOR desires to re-enter the STRATA LOT and to repossess and enjoy the same and all fixtures and improvements thereon, except fixtures and improvements which are of the nature of usual tenants' fixtures and normally removable by tenants, and which are not part of the STRATA LOT or the SAID LANDS or the BUILDINGS,

the LESSOR shall unless the LESSEE voluntarily surrenders the STRATA LOT to the LESSOR, apply to the Supreme Court of British Columbia, upon not less than fourteen (14) days' notice to all persons interested in the STRATA LOT, for an order that, either:

- (i) the interest of the LESSEE in this lease and the STRATA LOT for the remainder of the TERM and all the rights of the LESSEE hereunder be sold by public auction or private sale on such terms and conditions as the Court deems fair and equitable

in the circumstances, the proceeds therefrom to be distributed, after all rent and other money due to the LESSOR hereunder is paid to the LESSOR, in accordance with the priorities of the persons interested as aforesaid as ascertained by the Court upon enquiry or reference; or

- (ii) the LESSOR or the LESSOR's agents or employees be authorized to re-enter the STRATA LOT without being liable to any prosecution or damages therefor, and repossess and enjoy the STRATA LOT and all fixtures and improvements therein or thereon, except fixtures and improvements which are of the nature of usual tenants' fixtures and normally removable by tenants, and which are not part of the STRATA LOT or the BUILDINGS or the SAID LANDS, as liquidated damages, without such re-entry and repossession working a forfeiture or waiver of the rents to be paid and the covenants to be performed by the LESSEE up to the date of such re-entry and repossession; and

in ordering such sale or re-entry, the Court may direct the Registrar to cancel the LESSEE's interest in the STRATA LOT, the registration thereof, and any certificate of leasehold title and issue a new or replacement certificate in the name of the LESSOR or the purchaser, as the case may be, free and clear of and from all liens, charges and encumbrances whatsoever. The LESSOR shall not be responsible for any loss to any such person interested which may arise by reason of any such sale or re-entry unless the same occurs by reason of the wilful neglect or default of the LESSOR.

Section 17.02 Notice to and remedies of MORTGAGEE

- (a) No re-entry, termination or forfeiture of this lease by the LESSOR shall be valid against the MORTGAGEE who has filed with the LESSOR notice of MORTGAGE in favour of the MORTGAGEE and specified an address for notice hereunder unless the LESSOR shall first have given to the MORTGAGEE notice of the default entitling the LESSOR to re-enter, terminate or forfeit this lease,

specifying the nature of that default, and stating the LESSOR's intention to take such proceedings and requiring the MORTGAGEE:

- (i) to cure the default specified in the notice within a period of sixty (60) days from the date of receipt of that notice by the MORTGAGEE; or
- (ii) if the default cannot reasonably be cured within such sixty (60) day period, then to immediately proceed with due diligence to cure the default as soon as reasonably possible,

and the LESSOR hereby grants the MORTGAGEE access to the STRATA LOT for that purpose. If the default is cured within the period specified, the MORTGAGEE shall be entitled to continue as tenant for the balance of the TERM remaining at the date of the notice of default providing that the MORTGAGEE attorns as tenant to the LESSOR and undertakes to be bound by and to perform the covenants and agreements of this lease; provided however that in the event the MORTGAGEE consists of more than one mortgagee each having a separate charge upon the LESSEE's interest in this lease, and more than one of them wishes to cure the default specified in the notice aforesaid, then the LESSOR hereby agrees to permit curing of the default specified as aforesaid and the assumption of the balance of the TERM as aforesaid by that mortgagee which is willing to cure and assume as aforesaid and whose charge ranks in priority over the charge or charges held by the other mortgagee or mortgagees willing to cure and assume as aforesaid; except that in the event any MORTGAGEE has commenced a foreclosure action the provisions of section 17.02(b) shall apply.

- (b) In the event the MORTGAGEE commences foreclosure proceedings against the LESSEE, whether or not the LESSEE or the STRATA CORPORATION is in default of the performance of its covenants and agreements with the LESSOR under this lease at the time such foreclosure proceedings are commenced, the LESSOR shall not re-enter, terminate or forfeit this lease after the commencement of foreclosure proceedings on the ground of any default entitling the LESSOR to re-enter, terminate or forfeit this lease if the MORTGAGEE:

- (i) shall first have given to the LESSOR notice of the foreclosure proceedings;
- (ii) is actively prosecuting the foreclosure proceedings;
- (iii) cures the default within a period of sixty (60) days from the date of receipt of notice from the LESSOR specifying the nature of the default, or if the default cannot be reasonably cured within such sixty (60) day period, immediately proceeds with due diligence to cure the default as soon as reasonably possible;
- (iv) performs and observes all of the LESSEE's covenants and agreements under this lease and without undue delay diligently prosecutes to a conclusion the foreclosure proceedings commenced by the MORTGAGEE.

In the event that the MORTGAGEE acquires title to the LESSEE's interest in the STRATA LOT pursuant to the foreclosure proceedings, it shall thereupon become subrogated to the rights of the LESSEE under this lease provided it attorns to the LESSOR as tenant and undertakes to be bound by and perform the covenants and agreements of this lease. PROVIDED HOWEVER that in the event the MORTGAGEE consists of more than one mortgagee and more than one of them commences foreclosure proceedings, the right to cure any default granted by this section 17.02(b) to a foreclosing mortgagee shall be deemed granted to them in the order of priority of the charges held by the foreclosing mortgagees.

- (c) Any re-entry, termination or forfeiture of this lease made in accordance with the provisions of this lease as against the LESSEE shall be valid and effectual against the LESSEE even though made subject to the rights of any MORTGAGEE to cure any default of the LESSEE or the STRATA CORPORATION and to continue as tenant under this lease.

(d) No entry upon the STRATA LOT by the MORTGAGEE pursuant to this section 17.02 for the purpose of curing any default or defaults of the LESSEE or the STRATA CORPORATION shall release or impair the continuing obligations of the LESSEE:

Section 17.03 Default in Payment of Taxes (if any)
payable by section 3.01

The provisions of section 17.01 shall not apply to a default by the LESSEE in payment of taxes payable by section 3.01 while the City of Vancouver shall be the LESSOR and the City of Vancouver as LESSOR shall be limited in its rights of recovery of taxes to such statutory right as it now has or may hereafter be conferred upon it with respect to inter alia the STRATA LOT to sell the interest in land of the LESSEE hereunder for non-payment of taxes and in its right to recover penalties and interest on taxes in accordance with its statutory rights hereafter conferred upon it. The LESSOR agrees to delivery to any MORTGAGEE who has filed with the LESSOR notice of its MORTGAGE such notices as may be hereafter prescribed by statute to be given by the City of Vancouver to the person or persons primarily liable therefor.

Section 17.04 Remedies of LESSOR are cumulative

The remedies of the LESSOR specified in this lease are cumulative and are in addition to any remedies of the LESSOR at law or equity. No remedy shall be deemed to be exclusive, and the LESSOR may from time to time have recourse to one or more or all of the available remedies specified herein or at law or equity. In addition to any other remedies provided in this lease, the LESSOR shall be entitled to restrain by injunction any violation or attempted or threatened violation by the LESSEE of any of the covenants or agreements hereof.

Section 17.05 Waiver by LESSOR

The failure of the LESSOR to insist upon the strict performance of any covenant or agreement of this lease shall

not waive such covenant or agreement, and the waiver by the LESSOR of any breach of any covenant or agreement of this lease shall not waive such covenant or agreement in respect of any other breach. The receipt and acceptance by the LESSOR of rent or other monies due hereunder with knowledge of any breach of any covenant or agreement by the LESSEE shall not waive such breach. No waiver by the LESSOR shall be effective unless made in writing..

ARTICLE XVIII

COVENANTS OF LESSOR

Section 18.01 Covenant respecting authority to lease

The LESSOR covenants with the LESSEE that the SAID LANDS are not required by the LESSOR for municipal purposes and it now has in itself good right, full power and absolute authority to lease the STRATA LOT to the LESSEE in the manner and according to the true intent of this lease.

Section 18.02

For the purposes of Section 20(4) of the Landlord and Tenant Act, the LESSOR in its capacity as a municipality consents to this lease.

ARTICLE XIX

ARBITRATION

Section 19.01

If the LESSOR and the LESSEE do not agree as to any of the matters which, if no agreement is reached upon them, are by the provisions hereof to be determined by arbitration, any such disagreement shall be referred to three arbitrators, one of whom shall be chosen by the LESSOR, one by the LESSEE, and the third by the two so chosen and the third arbitrator so chosen shall be the chairman. The award may be made by the majority of the arbitrators. If within fifteen (15) days or such extended time as the parties may agree upon, a party who has been notified of a dispute fails to appoint an arbitrator or the two arbitrators appointed by the parties do not agree upon a third arbitrator, then the party or parties not in default may apply to the Supreme Court of British Columbia for the appointment by the Supreme Court of British Columbia of an arbitrator to represent the party or parties in default or a third arbitrator or both of such arbitrators. The costs of the reference and award shall be in the discretion of the arbitrators who may direct to and by whom and in what manner those costs or any part thereof shall be paid and may tax or settle the amount of costs to be so paid or any part thereof and may award costs to be paid as between solicitor and client. Except as to matters otherwise provided herein, the provisions of the Arbitration Act of British Columbia, R.S.B.C. 1960, Chapter 14 as amended from time to time, shall apply.

ARTICLE XX

CERTAIN COVENANTS AND AGREEMENTS

Section 20.01 Conduct on demised premises

The LESSEE and the STRATA CORPORATION and each of them covenant and agree with the LESSOR that they will not carry on nor do, nor allow to be carried on or done upon the STRATA LOT (as to the LESSEE) or the SAID LANDS or in the BUILDINGS except that part thereof comprised in the STRATA LOT (as to the STRATA CORPORATION) any work, business or occupation which constitutes a nuisance or is contrary to any law or to any by-law of the City of Vancouver for the time being in force.

ARTICLE XXI

SURRENDER OF LEASE

Section 21.01

At the expiration or other sooner determination of the TERM unless this lease is renewed as provided in ARTICLE XXIII the LESSEE shall peaceably surrender and yield up unto the LESSOR the STRATA LOT (including the interest of the LESSEE in any COMMON FACILITY) in the condition in which it is required to be kept by the LESSEE under the provisions of this lease.

ARTICLE XXII

QUIET ENJOYMENT AND OWNERSHIP
OF THE BUILDINGS

Section 22.01 Covenant for Quiet Enjoyment

If the LESSEE pays the rent hereby reserved and the other charges, and the LESSEE and the STRATA CORPORATION perform the covenants hereinbefore on their parts respectively herein contained, the LESSEE shall and may peaceably enjoy and possess the STRATA LOT for the TERM without any interruption or disturbance whatsoever from the LESSOR or any other person, firm or corporation lawfully claiming from or under the LESSOR, provided however that nothing in this section 22.01 shall limit the rights of inspection conferred upon the LESSOR by section 11.01 or the right of the LESSOR to show the STRATA LOT and to post notices, pursuant to section 11.02.

Section 22.02 Ownership of Tenant's Fixtures

The LESSEE may confer on tenants or occupants of the STRATA LOT the right of property in, or the right to remove, fixtures or improvements which are of the nature of usual tenants' fixtures and normally removable by tenants, and which are not part of the STRATA LOT. The LESSEE shall make good or shall cause such tenants to make good, any damage to the STRATA LOT caused by any removal of tenants' fixtures.

ARTICLE XXIII

RENEWAL OF LEASE

Section 23.01

(a) Special provisions concerning the renewal of this lease by the LESSOR are contained in section 55 of the STRATA TITLES ACT and except as otherwise provided in section 23.01(b) the provisions of section 55 apply to this lease; the parties hereto agree to conform with and be bound by the said provisions so far as they relate to this lease.

(b) Any renewal of this lease shall be on the same terms and conditions as are herein contained, mutatis mutandis, except that the renewal term shall be five (5) years unless the LESSOR elects to renew for a longer period and the rent shall be determined as follows, that is to say,

the rent payable by the LESSEE during such renewal term shall be such annual sum as may be agreed upon in writing by and between the LESSOR and the LESSEE, provided however that if the LESSOR and the LESSEE do not agree in writing upon the rent for any renewal term at least six (6) months prior to the termination of this lease or the renewal term immediately preceding the renewal term the rent for which has yet to be determined, the rent for such last mentioned renewal term shall be that share of the current market rental value of the SAID LANDS apportioned to the STRATA LOT in accordance with the schedule filed under section 3(1)(g) of the STRATA TITLES ACT at the date which shall be six (6) months prior to the end of the TERM of the renewal term immediately preceding the renewal term the rent for which has yet to be determined and such market rental value shall be determined by arbitration. The arbitrators shall within the said six (6) months period appraise and determine the market rental value of the aforesaid part of the SAID LANDS. In determining the market rental value of the aforesaid part of the SAID LANDS pursuant to this section 23.01, the arbitrators shall exclude from such determination the

value of the BUILDINGS in and upon the SAID LANDS (as if the SAID LANDS were unimproved). When the rent has been determined (by agreement or arbitration) the LESSOR shall prepare, execute and deliver to the LESSEE not less than three (3) copies of the renewal of this lease in a form acceptable for registration in the Vancouver Land Registry Office and the LESSEE shall execute the renewal lease and deliver an executed copy of the same to the LESSOR. All fees for the registration of the renewal of this lease in the Vancouver Land Registry Office shall be borne by the LESSEE.

ARTICLE XXIV

PURCHASE OF LESSEE'S INTEREST
IN STRATA LOT

Section 24.01

- (a) Special provisions concerning the purchase of the LESSEE'S interest in the STRATA LOT by the LESSOR are contained in section 54 of the STRATA TITLES ACT and except as otherwise provided in section 24.01(b) the provisions of section 54 apply to this lease; the parties hereto agree to conform with and be bound by the said provisions so far as they relate to this lease.
- (b) The purchase price of the LESSEE'S interest in the STRATA LOT shall be its fair market value as agreed between the LESSOR and the LESSEE provided that if the LESSOR and the LESSEE cannot agree upon the purchase price of the LESSEE'S interest in the STRATA LOT within 60 days (or such extended period as the parties may mutually agree upon) following the termination of this lease or any subsequent renewal thereof by effluxion of time without formal renewal or under Section 62(2) of the STRATA TITLES ACT, as the case may be, then the purchase price shall be the fair market value of the LESSEE'S interest in the STRATA LOT as determined by arbitration and for the purposes of assessing such fair market value and in furtherance to the provisions of the STRATA TITLES ACT the LESSEE'S interest in the STRATA LOT shall be determined:
- (i) as if this lease did not terminate,
 - (ii) on the basis that the STRATA LOT is free of all liens, charges and encumbrances,
 - (iii) on the basis that the SAID LANDS may be used only for the purposes set forth in this lease, and the purchase price shall be calculated as of the date of termination or non-renewal of this lease.
- (c) The purchase price of the LESSEE'S interest in the

STRATA LOT shall be paid less any amounts owing to the LESSOR by the LESSEE and any amounts paid by the LESSOR to satisfy any MORTGAGE, encumbrance, lien, judgment, taxes or other charges registered in the Vancouver Land Registry Office against this lease and any other normal adjustments not later than fifteen (15) days after the purchase price shall have been determined pursuant to this ARTICLE XXIV and in exchange for which the LESSEE shall deliver without cost to the LESSOR a deed of surrender and conveyance of the LESSEE's interest in the STRATA LOT in form acceptable to the LESSOR and such as to effectively surrender and convey to the LESSOR all of the interest, right and title of the LESSEE in the STRATA LOT.

ARTICLE XXV

NOTICE

Section 25.01

All notices, demands and requests which may or are required to be given pursuant to this lease shall be in writing and shall be sufficiently given if served personally upon the party or an executive officer of the party for whom it is intended or mailed prepaid and registered, in the case of the LESSOR addressed to:

City Clerk,
City Hall,
453 West 12th Avenue,
Vancouver, British Columbia,
V5Y 1V4,

and to:

Director of Legal Services,
Law Department,
City Hall,
453 West 12th Avenue,
Vancouver, British Columbia,
V5Y 1V4,

and in the case of the LESSEE addressed to:

United Properties Ltd.,
No. 2400, 1066 West Hastings Street
Vancouver, British Columbia,
V6E 3X1

and to:

Imbrook Properties Limited
No. 500 - 330 Bay Street
Toronto, Ontario
M5H 2S8

and in the case of the STRATA CORPORATION addressed to:

or at such other addresses as the parties may from time to time advise by notice in writing: MORTGAGEES hereof shall supply their respective mailing addresses to the LESSOR, the LESSEE, the STRATA CORPORATION and the MORTGAGEES of the LESSEE. The date of receipt of any such notice, demand or request shall be deemed to be the date of such delivery if such notice, demand or request is served personally, or if

mailed as aforesaid, on the second business day next following the date of such mailing, PROVIDED HOWEVER that if mailed, should there be between the time of mailing and the actual receipt of the notice a mail strike, slow down of postal service, or other labour dispute which affects the delivery of such notice, then such notice shall be deemed to be received when actually delivered.

ARTICLE XXVI

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MISCELLANEOUS

Section 26.01 Conflict between Provisions of Model
STRATA LOT Lease and STRATA TITLES ACT

In the event that the terms of this model STRATA LOT Lease or the duties, rights and obligations of the LESSOR, the LESSEE or the STRATA CORPORATION under the terms of this model STRATA LOT lease conflict or are inconsistent with the provisions of the STRATA TITLES ACT applicable to leasehold STRATA LOTS, the provisions of the STRATA TITLES ACT shall prevail.

Section 26.02 Statements of Good Standing

The LESSOR, the LESSEE and the STRATA CORPORATION agree that at any time and from time to time upon not less than thirty (30) days' prior request, each will execute, acknowledge and deliver to the other a statement in writing certifying:

- (a) That this lease is unmodified and in full force and effect or if there have been modifications, that the same is in full force and effect as modified and identifying the modifications;
- (b) The dates to which the rent and other charges have been paid and the request shall specify the charges in respect of which such information is required; and
- (c) That, so far as the maker of the statement knows, the party who requests the statement is not in default under any provisions of this lease, or, if in default, the particulars thereof.

Section 26.03 Time is of The Essence

Time shall be of the essence of this lease, save as herein otherwise specified.

Section 26.04 Modifications and Amendments

This lease may not be modified or amended except by an instrument in writing of equal formality herewith executed by the LESSOR, the LESSEE, and the STRATA CORPORATION, or by the successors or assigns of the LESSOR and the successors or permitted assigns of the LESSEE.

Section 26.05 Execution of Model STRATA LOT Lease
by STRATA CORPORATION

- (a) If the STRATA CORPORATION fails to execute this lease and deliver the same to the LESSOR within ten (10) days following the deposit of the LEASEHOLD STRATA PLAN, then the LESSEE shall observe and perform all of those covenants, conditions and agreements which the STRATA CORPORATION would have been bound to observe and perform by the terms of this lease had it executed and delivered the same as aforesaid.
- (b) If at any time during the TERM the STRATA CORPORATION does not have the right, power and authority to observe or perform any of the covenants, conditions and agreements which the STRATA CORPORATION is bound to observe and perform by the terms of this lease, then the LESSEE shall observe and perform all of those covenants, conditions and agreements which the STRATA CORPORATION would have been obligated to observe and perform, had the STRATA CORPORATION such right, power and authority.

Section 26.06 Release from Liability

The LESSOR covenants and agrees with the LESSEE that UNITED PROPERTIES LTD. and IMBROOK PROPERTIES LIMITED, the LESSEE named herein, but not including their respective successors or assigns or any lessee, tenant or assignee of the said named LESSEE or either of them or any other party claiming under the said named LESSEE or either of them, shall be released and discharged from any and all of their liabilities and obligations under the covenants, terms and conditions in this model STRATA LOT lease in respect of each STRATA LOT on the date which is the later of:-

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- (a) The date the leasehold interest of UNITED PROPERTIES LTD. and IMBROOK PROPERTIES LIMITED and each of them in that STRATA LOT is assigned to the first purchaser thereof, or
- (b) The date of substantial completion of the BUILDINGS as certified by the ARCHITECT to the LESSOR.

Provided that the said named LESSEE shall have paid the RENT and taxes required to be paid hereunder and observed and performed the covenants and agreements herein to be performed by the said named LESSEE up to and including the said date.

Section 26.07 Captions and Headings

The captions and headings throughout this lease are for convenience and reference only and the words and phrases contained therein shall in no way be held or deemed to define, limit, describe, explain, modify, amplify or add to the interpretation, construction or meaning of any provision of or the scope or intent of this lease, nor in any way affect this lease.

Section 26.08 Enurement

It is hereby agreed and declared by the LESSOR and the LESSEE that:

- (a) Until UNITED PROPERTIES LTD. and IMBROOK PROPERTIES LIMITED, named herein as the LESSEE have been released and discharged from their liabilities and obligations under this lease in respect of any STRATA LOT in accordance with section 26.06 hereof, all covenants, undertakings, responsibilities, obligations and agreements in this lease in respect of such STRATA LOT shall be construed as both joint and several with respect to the each named LESSEE.
- (b) Except as otherwise provided in section 26.06, these presents shall extend to, be binding upon and enure to the benefit of the LESSOR, the LESSEE, and the STRATA

CORPORATION and their respective administrators, successors and permitted assigns, and if there is more than one LESSEE named, the word "LESSEE" shall be deemed to include each of such LESSEE (as the case may be), their respective administrators, successors and assigns, severally as well as jointly.

IN WITNESS WHEREOF the LESSOR, the LESSEE and the STRATA CORPORATION have hereunto caused to be affixed their respective seals attested by the signatures of the respective proper officers duly authorized for such purpose.

The Common Seal of the CITY OF VANCOUVER was hereunto affixed in the presence of:

Director of Legal Services

The Corporate Seal of UNITED PROPERTIES LTD. was hereunto affixed in the presence of:

The Corporate Seal of IMBROOK PROPERTIES LIMITED was hereunto affixed in the presence of:

The Corporate Seal of THE STRATA CORPORATION was hereunto affixed in the presence of:

Approved by Vancouver City Council on June 12, 1979.